

NEWS FROM

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Financial Aid Tip of the Month, June 2008

Don't be taken in by something that sounds too good to be true

Parents of college-bound students are probably hearing lots of sales pitches from companies that promise to help them find financial aid to pay for college.

There's no need to pay for this kind of information. It can be obtained **free** by working with your guidance counselor, checking out sources in the library, doing free online scholarship searches or contacting the financial aid office of the college you plan to attend. AlabamaMentor.org, the state's one-stop college planning website, offers a free scholarship search.

If you decide to use a company to help you find financial aid, make sure you're dealing with a reputable one. The Federal Trade Commission cautions students to be especially skeptical about scholarship search companies and websites that make these claims.

- “You’ve been selected by a national foundation to receive a scholarship.” Check with a guidance counselor or The Foundation Center at www.fdncenter.org to find out if the foundation is legitimate. Be especially wary if you’re notified that you’re a finalist in a scholarship contest you didn’t enter.
- “We’ll do all the work.” It’s highly unlikely that the company will fill out all the applications for all the financial aid sources it sends you.
- “I just need your credit card or bank account number to hold this scholarship.” Never give these numbers to a person or company you’re not sure about. You could find your credit card maxed out and your bank account cleaned out.
- “This scholarship will cost some money.” Some legitimate scholarships do have up-front fees, but they shouldn’t be more than \$5 or \$10.
- “You’re guaranteed to get money for college or your money back.” Read the fine print. If it sounds too good to be true, it probably is.

For more information about financial aid and college planning, visit www.AlabamaMentor.org; write to KHEAA–Alabama, 100 North Union Street, Suite 308, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.